

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Daisy Post Office
Daisy, Georgia 30423

Docket No. A2012-104

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(February 21, 2012)

On December 27, 2011, the Postal Regulatory Commission (Commission) received eleven appeals¹, from customers of the Daisy, GA Post Office objecting to the discontinuance of the Post Office at Daisy.² On January 5, 2012, the Commission issued Order No. 1105, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 1105, the Postal Service filed the administrative record with the Commission on January 11, 2012,³ and a notice of errata to the administrative record on January 13, 2012.⁴ On January 24, 2012 the Commission received a Participant Statement from Carroll Lee Skinner. On January 31, 2012, the Commission received six more Participant Statements from: Mayor Brown, Carolyn S. Brown, Patricia Anna & Cletus B. Strickland, Manuel A. & Blanca Rosa Balcarcel, Larry Morgan, and Bill & Priscilla Hearn. The Commission received two more Participant Statements, from Sarah Rountree and

¹ Appeals were filed by: Mayor Inman Brown Jr. (Mayor Brown), Larry Morgan, Bill and Priscilla Hearn, Cletus B. Strickland, Carolyn S. Brown, Carroll Skinner, Sarah Rountree, Patricia Ann Strickland, Manuel A. & Blanca Rosa Balcarcel, Carson Sands, Jr., and Joann Griffis.

² This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

³ See United States Postal Service Notice of Filing Administrative Record, PRC Docket No. A2012-104, January 11, 2012.

⁴ See United States Postal Service Notice of Filing Corrected Administrative Record - Errata, PRC Docket No. A2012-104, January 13, 2012.

Carson Sands, Jr., on February 6, 2012. The following is the Postal Service's answering brief in support of its decision to discontinue the Daisy Post Office.

The appeals and Participant Statements received by the Commission raise three main issues: (1) the effect on postal services, (2) the impact upon the Daisy community, and (3) the calculation of economic savings expected to result from discontinuing the Daisy Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,⁵ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Daisy Post Office should be affirmed.

Background

The Final Determination To Close the Daisy, GA Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD"), as well as the administrative record, indicate that the Daisy Post Office provides EAS-11 level service to 179 Post Office Box customers, and retail customers 44 hours per week. Item No. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.⁶ The postmaster of the Daisy Post Office retired on July 1, 2009. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer postmaster relief may be separated from the Postal Service; however

⁵ See 39 U.S.C. 404(d)(2)(A).

⁶ The Final Determination can be found at Item No. 47 in the Administrative Record. All citations to the Final Determination in these comments are to "FD at____," rather than to Item 47. The FD page number refers to the pages as marked on the upper left of the document. Other Items in the administrative record are referred to as "Item No.____."

attempts will be made to reassign the employee to a nearby facility.⁷ The average number of daily retail window transactions at the Daisy Post Office is 25, accounting for 26 minutes of workload daily. Revenue is low: \$35,384 in FY 2008 (92 revenue units); \$35,248 in FY 2009 (92 revenue units); and \$36,470 in FY 2010 (95 revenue units).⁸ The Daisy Post Office has one permit mailer or postage meter customer.⁹

Upon implementation of the final determination, delivery and retail services will be provided by rural route service administered by the Claxton Post Office, an EAS-18 level office located seven miles away, which has 72 available Post Office Boxes.¹⁰ This service will continue upon implementation of the final determination. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Daisy Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Daisy Post Office. Questionnaires were also available over the counter for retail customers at Daisy.¹¹ A letter from the Manager of Post Office Operations, Jacksonville, Florida, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Daisy Post Office was warranted, and that effective and regular service could be provided through carrier delivery and retail services available at the Claxton Post Office. The letter invited customers to complete and return a customer

⁷ FD at 7.

⁸ FD at 2; Item No. 18, Fact Sheet, at 1.

⁹ FD at 2; Item No. 18, Fact Sheet, at 1.

¹⁰ According to Item No. 18, Form 4920 Post Office Fact Sheet, of the 179 Post Office Box customers at the Daisy, Georgia Post Office, 50 are receiving "duplicate service." In addition, the Post Office anticipates that some of the 179 Post Office Box customers will opt for carrier service.

¹¹ FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Daisy Post Office, at 1.

questionnaire wherein they could express their opinions about the service they were receiving and the effects of a possible change involving carrier delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22.¹² In addition, representatives from the Postal Service were available at the Daisy Community Center for a community meeting on April 26, 2011, to answer questions and provide information to customers.¹³ FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis. Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Daisy and Claxton Post Offices¹⁴ from June 4, 2011 to August 5, 2011. FD, at 2; Item No. 36, Round-date stamped Proposals and Invitations for comments from affected office. The Final Determination was posted at the same two Post Offices starting December 7, 2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record.

In light of a postmaster vacancy, minimal workload, low office revenue,¹⁵ the variety of delivery and retail options (including the convenience of carrier delivery and

¹² Petitioner Mayor Brown, in his initial letter of appeal, alleges that the questionnaires were misleading, thereby resulting in 3 favorable, 6 unfavorable, and 51 no opinion responses. The Postal Service notes that the surveys are intended to assess usage patterns and customer needs. They are not intended to accomplish any particular outcome. Moreover, the categorization of opposition, support, or neutrality of a survey is not, in and of itself, dispositive. What is dispositive is whether effective and regular service can be provided in the event of discontinuance, and in this case, the conclusion was affirmative.

¹³ Petitioner Mayor Brown notes that the Postal Service received 60 questionnaire responses, of which 3 were favorable, 6 unfavorable, and 51 no opinions. However, there were 104 customers at the community meeting. As the record reflects, the questionnaires were distributed to delivery customers along with the April 14, 2011 Letter to Customers, prior to the April 26, 2011 community meeting. See FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Daisy Post Office, at 1. The Postal Service received only 60 completed questionnaires. Item No. 23, Customer Questionnaire Analysis, at 1.

¹⁴ The Claxton Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docId=75971&docType=Library%20References&attrID=&attrName=>.

¹⁵ See note 8 and accompanying text,

retail service),¹⁶ very little recent growth in the area,¹⁷ minimal impact upon the community, and the expected financial savings,¹⁸ the Postal Service issued the Final Determination.¹⁹ Regular and effective postal services will continue to be provided to the Daisy community in a cost-effective manner upon implementation of the final determination.²⁰

Each of the issues raised by the Petitioners is addressed below.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Daisy Post Office on postal services provided to Daisy customers. The closing is premised upon providing regular and effective postal services to Daisy customers.

The Petitioners raise the issue of the effect on postal services of the Daisy Post Office's closing, noting the convenience of the Daisy Post Office and requesting its retention. Petitioners raise particular concern about traveling to another Post Office to obtain Post Office box service, the hardship placed on senior citizens, and the impact on mail security. Each of these concerns was considered by the Postal Service in the Daisy discontinuance study.

Petitioners Griffis and Skinner raise concern about traveling to another Post Office for Post Office box service and incurring additional expenses in gas and box fees. The Postal Service explained to customers that upon implementation of the final determination, delivery and retail services will be provided by rural route service emanating from the Claxton Post Office. Customers have the option of continuing box

¹⁶ FD at 2-5.

¹⁷ Item No. 16, Community Survey Sheet, at 1.

¹⁸ FD at 5; Item No. 16, Community Survey Sheet, at 1; Item No. 29, Proposal Checklist, at 2.

¹⁹ FD at 2-7.

²⁰ FD at 5.

service at the Claxton Post Office or switching to carrier service. Item No. 21, Letter to Customers, at 1. Customers opting for carrier service will not pay Post Office box fees.²¹ In addition, carrier service alleviates the need for customers to travel to another Post Office to obtain services.

Most services available at the Post Office such as the sale of stamps, envelopes, postal cards, and money orders will be available from the carrier, thereby saving customers a trip to another Post Office for services. FD at 3. Furthermore, most transactions do not require meeting the carrier at the mailbox. Stamps by Mail²² and Money Order Application forms are available for customer convenience. FD at 3.

Carrier Service is also beneficial to many senior citizens and those who face special challenges, because they do not have to make a special trip to the Post Office for service. FD at 4. The carrier can provide delivery and retail services to mailboxes close to customer residences. Moreover, in hardship cases delivery can be made to the home of a customer. FD at 4. To request an exception for hardship delivery, customers may contact the administrative postmaster for more information. FD at 3.

With respect to Petitioners' concerns about mail security, the Postal Service advised customers that may place a lock on their mailboxes as long as there is a slot large enough to accommodate their normal daily mail volume. FD at 2. The Postal Service also sent a questionnaire to the Postal Inspection service concerning mail theft and vandalism in the area. Their records reflect that there have been no reports of mail theft or vandalism in the area, thereby indicating that mail security concerns are not

²¹ FD at 4.

²² Petitioner Skinner mentions that there are several businesses that purchase stamps from the Daisy Post Office. The Stamps by Mail Program provides customers the opportunity to purchase stamps, envelopes, and postal cards by using the Stamp Purchase Order form available from the post office or the carrier. In addition, stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24. FD at 3.

prevalent in the area. Item No. 14, Inspection Service/local law enforcement vandalism report.

In sum, the Postal Service has considered the impact of closing the Daisy Post Office upon the provision of postal services to Daisy customers. The carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 4; Item No. 25, Community Meeting Analysis, at 1. Thus, the Postal Service has properly concluded that all Daisy customers will continue to receive regular and effective service.

Effect Upon the Daisy Community

The Postal Service is obligated to consider the effect of its decision to close the Daisy Post Office upon the Daisy community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Daisy is an incorporated rural community located in Evans County. The Evans County Sheriff's Department provides police protection. The community is administered politically by Mayor and Council, with fire protection provided by the Claxton/Daisy Volunteer Fire Department. The majority of the residents in Daisy were born and raised in the community. Some have moved away for school and job purposes, and then returned after retiring. FD at 5. The questionnaires completed by Daisy customers indicate that, in general, those who reside in Daisy must travel elsewhere for other supplies and services. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters.

Petitioners Strickland, Hearn, and Sands raise concern that the community will lose its identity if the Daisy Post Office is closed. The Postal Service explained that a

community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the Community name in addresses. FD at 4 and 5.

Petitioner Balcarcel expresses concern about the impact the loss of the Post Office will have on the business community. Specifically, the Petitioner raises mail security and access concerns. As previously mentioned, customers who have concern about the security of their mail may place a lock on their mailboxes as long as there is a slot large enough to accommodate their normal daily mail volume. With regard to access concerns, customers who opt for carrier service will have 24-hour access to their mail. FD at 4.

Petitioner Morgan also raises concerns about how the discontinuance of the Daisy Post Office will impact his success as a business owner and the confusion it will cause his customers. There is no indication that the business community will be adversely affected. FD at 5. The Postal Service is preserving the community name in addresses; therefore customers should not experience confusion in the location of the local businesses. In addition, questionnaire responses revealed that customers will continue to use local businesses if the Post Office is discontinued. See generally Item No. 22, Returned Customer Questionnaires, at 42, 50, 68, 77, 79, 83, 85, 98, 100, 113, 125, 127, 134, 140, 146, 148, 150, 152, 154, and 157. Businesses generally require regular and effective postal services, and these will always be provided to the Daisy community.

Petitioner Strickland mentions that the Daisy Post Office "is a great meeting place for our elderly." Residents may continue to meet informally, socialize, and share information at the other businesses, churches, and residences in town. Specifically, Daisy has a community center (where the community meeting was held) that should be

able to accommodate the meeting needs of the community. FD at 2.

In addition, nonpostal services and Government forms will be available at the administrative Post Office or by contacting local government agencies. FD at 3.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Daisy Post Office on the community served by the Daisy Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that carrier service would cost the Postal Service substantially less than maintaining the Daisy Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Daisy Post Office are \$37,393.00.²³ Item No. 29, Proposal Checklist, at 2.

Petitioners suggest several strategies that may reduce cost at the Daisy Post Office in lieu of complete closure. These strategies include implementing a contract or village Post Office, cutting hours and days of operation, and pay cuts. The Postal Service has broad experience with similar options, but the focus of this administrative action concerns whether service can be provided effectively and efficiently to the Daisy community. In this case, the Postal Service has determined that carrier service, coupled with service at the nearby Claxton Post Office, is a more cost-effective solution than maintaining the Daisy postal facility and career position. The Postal Service's estimates are supported by record evidence, in accordance with Postal Service's

²³ The total annual savings in the Final Determination does not account for the estimated cost of replacement service. The estimated cost is \$9,986.00, thus resulting in an annual savings of \$37,373.00.

statutory obligations.

Although Petitioner Balcarcel questions the amount of savings the Postal Service will gain from the closing rural Post Offices such as Daisy, Post Offices are reviewed on a case-by-case basis. When there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternative means. FD at 3. While Petitioner Balcarcel states that rural Post Offices only make up 1% of the Postal Service's budget, such savings are significant to the overall cost reduction focus of the Postal Service. The Postal Service is looking at all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 4. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on July 1, 2009. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) was installed to operate the office. Upon implementation of the Final Determination, attempts will be made to reassign the noncareer OIC to a nearby office. FD at 7. The record shows that no other employee would be adversely affected by this closing. FD at 5; Item No. 15, Post Office Survey Sheet, at 1. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees

at the Daisy Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Daisy Post Office on the provision of postal services and on the Daisy community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Daisy customers through carrier service. FD at 5. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Daisy Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Daisy Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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